especially in rural India. Under the scheme it is proposed to construct 60 lakh additional houses for the poor.

* Indira Awas Yojana is the flagship rural housing scheme for weaker sections. The allocation is being increased from Rs. 2500 crore in 2004-05 to Rs. 2750 crore in BE 2005-06. About 15 lakh houses will be constructed during the year—2005-06.

**DFID's assistance to control poverty**

2816. MS. PRAMILA BOHIDAR:
SHRI RUDRA NARAYAN PANY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that UK Government's Department for International Development (DFID) has provided an assistance of Rs. 3,661 crore for various projects in India to control poverty; and

(b) if so, out of the above, how much amount has been given to Orissa to control poverty?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) There are 25 on-going projects, directly or indirectly linked with poverty alleviation, including projects in the social sectors, for which Department for International Development (DFID) of the Government of United Kingdom has committed development assistance of 1018 million pounds (approx. Rs. 8,150 crores). Out of this, an amount of 112 million pounds (approx. Rs. 900 crores) is towards such projects in the State sector for the State of Orissa. In addition, Orissa is also getting support under the central sector projects for poverty alleviation and social sectors for which DFID is providing development assistance.

**Adverse impact of budgetary proposals on senior citizens and pensioners**

2817. SHRI MANOJ BHATTACHARYA:
SHRI N.K. PREMACHANDRAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that his pragmatic tax proposals for 2005-06 have

very adversely affected the senior citizens and pensioners much against his hopes that they would offer relief and respite;

(b) if so, Government's reaction thereto; and

(c) steps proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Representations have been received stating that the tax structure proposed in the Finance Bill, 2005 has adversely affected the interests of the senior citizens and the pensioners.

(b) and (c) The Finance Minister has expressed the commitment of the Government to address these issues. The Government's response shall be reflected in the Government amendments to the Finance Bill, 2005.

**FDI in Insurance Sector**

2818. DR. AKHILESH DAS:
SHRIMATI PREMA CARIAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Standing Committee of Parliament of Finance had unanimously recommended Foreign Direct Investment of not more than 26 per cent in the Insurance sector; and

(b) if so, whether Govenment has decided to raise the FDI cap in insurance sector to 49 per cent and if so,the reasons for hiking the FDI cap?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) Yes, Sir. The Standing Committee of Parliament on Finance in its report on Insurance Regulatory Authority Bill, 1998 submitted on 16th March, 1998 had recommended foreign direct investment (FDI) of not more than 26 per cent in an Indian insurance company.

(b) The insurance companies periodically require additional capital for growth of business. Indian promoters, at times due to financial constraints are not in a position to contribute additional capital proportionate to their share-holdings. Therefore, in the Budget Speech of 2004-05, an announcement was made for the increase in the Foreign Direct Investment (FDI) from 26% to 49%. However, no legislative proposal has been finalized so far.